

Message Text

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ACTION EA-09

INFO OCT-01 EUR-12 ISO-00 AID-05 L-03 IGA-01 ABF-01 FS-01

A-01 CIAE-00 COME-00 EB-07 FRB-03 INR-07 NSAE-00

USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04

SIL-01 OMB-01 OPR-02 PM-04 H-02 NSC-05 PA-01 PRS-01

SS-15 /101 W

----- 069164

R 011045Z OCT 75

FM AMEMBASSY VIENTIANE

TO SECSTATE WASHDC 5378

INFO AMEMBASSY BANGKOK

AMEMBASSY PARIS

DIA WASHDC/AH

CINCPAC

CONFIDENTIAL VIENTIANE 5809

DEPT ALSO PASS AID

BANGKOK ALSO FOR FADPC

CINCPAC FOR POLAD

E.O. 11652: GDS

TAGS: PFOR, EFIN, LA, US

SUBJ: STATUS OF EMBASSY'S BANK ACCOUNTS AND OF

BANQUE DE L'INDOCHINE

REF: A) STATE 231008 (DTG 271652Z SEP 75)

B) VIENTIANE 5762 (DTG 260910Z SEP 75)

C) VIENTIANE 5750 (DTG 251024Z SEP 75)

1. DURING COURSE OF CONVERSATION ON ANOTHER SUBJECT

SEPTEMBER 30, POL COUNSELOR ASKED MFA ATTACHE DE CABINET

SOUKTHAVONE KEOLA WHETHER THERE WAS ANY NEWS ON STATUS

OF USDO BANK ACCOUNTS. SOUKTHAVONE SAID THER WAS NOT;

EXAMINATION OF ACCOUNTS WAS STILL CONTINUING. POL

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COUNSELOR AGAIN NOTED DIFFICULTY FOR EMBASSY IN DEALING

WITH PROBLEM THAT HAD NOT YET BEEN DEFINED AND ASKED WHETHER EMBASSY WOULD RECEIVE OFFICIAL NOTIFICATION OF PROBLEM FOUND, IF ANY, WHEN EXAMINATION COMPLETE. SOUKTHAVONE SAID THERE WOULD BE OFFICIAL NOTIFICATION. POL COUNSELOR VOLUNTEERED OUR WILLINGNESS TO DISCUSS ANY APPARENT PROBLEM WITH "BANK EXAMINERS," ASSUMING MFA CONCURRED. SOUKTHAVONE APPEARED TO THINK NO SUCH MEETING NECESSARY, AT LEAST FOR NOW.

2. SOUKTHAVONE REPEATED OFFER OF MFA ASSISTANCE SHOULD EMBASSY NEED KIP (REF C) AND, IN RESPONSE TO QUESTION, CONFIRMED THAT MFA'S METHOD WOULD BE TO ARRANGE FOR CASHING OF DOLLAR TREASURY CHECK AT NATIONAL BANK (NBL). HE ADDED THAT DOLLAR CURRENCY COULD NO LONGER BE OBTAINED FOR CHECKS AT NBL OR ANYWHERE ELSE. POL COUNSELOR THANKED SOUKTHAVONE FOR OFFER BUT SAID HE THOUGHT EMBASSY HAD ENOUGH KIP FOR A FEW MORE DAYS. (COMMENT: IN FACT, MANAGER OF AMERICAN COMMUNITY ASSOCIATION'S COMMISSARY APPEARED IN VIENTIANE SEPTEMBER 26 WITH 17.5 MILLION KIP IN CASH THAT HE HAD TAKEN TO THAILAND "FOR SAFEKEEPING" IN JUNE. EMBASSY WAS NOT AWARE OF EXISTENCE OF THESE FUNDS. AS WE HAVE ADVISED BANGKOK IN VIENTIANE 5783 AND 5790 (NOTAL), EMBASSY INTENDS TO PURCHASE THIS KIP AS WELL AS AN ADDITIONAL APPROX 17.5 MILLION WHICH MANAGER STILL HAS IN BANGKOK AND WHICH WILL BE POUCHE TO VIENTIANE. THIS AMOUNT SHOULD BE SUFFICIENT TO CARRY US THROUGH PPS 20 AND 21, I.E., THROUGH APPROXIMATELY END OF OCTOBER.)

3. ASKED ABOUT STATUS OF BANQUE DE L'INDOCHINE (BIC) AND ITS FRENCH EMPLOYEES, SOUKTHAVONE SAID (DISINGENUOUSLY) HE THOUGHT QUESTION OF CONFINEMENT HAD BEEN "RESOLVED" BUT IN ANY CASE FRENCH EMPLOYEES HAD NOT BEEN CANDID IN ANSWERING "OUR" QUESTIONS AND INDEED HAD TRIED TO CONFUSE MATTERS. HE WAVED AWAY ANY SUGGESTION THAT BANKERS HAVE TRADITIONAL OBLIGATION TO PROTECT CONFIDENTIALITY OF THEIR CLIENTS' AFFAIRS AND SAID BANKERS ARE OBLIGATED TO TELL "US" EVERYTHING WE NEED TO KNOW."

4. MEANWHILE, DATT RAISED QUESTION OF BIC IN COURSE
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OF GENERAL DISCUSSION SEPTEMBER 30 WITH MAJOR GENERAL ALFRED KOPF, CHIEF OF FRENCH MILITARY MISSION. MG KOPF EXPRESSED INDIGNATION AT CONTINUED CONFINEMENT OF FRENCH STAFF OF BIC, WHICH HE NOTED WAS THEN IN ITS 23RD DAY. HE ADDED, HOWEVER, THAT MANY OF BIC'S PROBLEMS WITH PATHET LAO AROSE FROM "FACT" THAT BIC HAD BEEN USED EXTENSIVELY BY USG FOR BOTH REGULAR AND IRREGULAR PAYMENTS TO VIENTIANE SIDE OF PGNU AND INDI-

VIDUAL MEMBERS THEREOF. (MG KOPF DID NOT MENTION ANY ATTEMPT BY PATHET LAO TO OBTAIN INFORMATION ON ACCOUNTS OF LAO "RIGHTISTS" OUTSIDE LAOS.)

5. YET ANOTHER COUNTRY AFFECTED BY SEIZURE OF BIC IS BELGIUM. DIRECTOR OF BIC IS EX OFFICIO HONORARY CONSUL OF BELGIUM, AND ACTING BIC DIRECTOR MISERY IS THUS ACTING CONSUL. VISITING BELGIAN AMBASSADOR LEERMAKERS CALLED ON CHARGE OCTOBER 1 AND COMPLAINED THAT HE HAD BEEN DENIED ACCESS TO BIC AND THUS TO SAFE, PASSPORTS, SEALS AND RECORDS OF HONORARY CONSULATE. HE SAYS PATHET LAO ON DUTY AT BIC TOLD HIM BANK WAS UNDER JURISDICTION OF VIENTIANE REVOLUTIONARY ADMINISTRATIVE COMMITTEE AND SIMPLY SHRUGGED WHEN AMBASSADOR SAID HE PLANNED TO RAISE MATTER WITH MFA.

6. COMMENT: ALTHOUGH WE HAVE NOT TOUCHED BASE WITH ALL OTHER EMBASSIES THAT HAVE ACCOUNTS AT BIC, WE BELIEVE THAT ALL OF THEM -- INCLUDING FRENCH -- ARE NOW ABLE TO UTILIZE THEIR BIC ACCOUNTS TO EXTENT OF OBTAINING KIP AT NBL WITH CHECKS DRAWN ON BIC. THUS ONLY EMBASSY WITH SERIOUS PROBLEM -- AND ONE QUITE DIFFERENT FROM OURS -- IS THE FRENCH. PERSONNEL OF THE FRENCH EMBASSY WITH WHOM WE HAVE SPOKEN USUALLY APPEAR RATHER RELAXED ABOUT STATUS OF BIC'S FRENCH STAFF AND IN ANY EVENT HAVE NOT APPROACHED US ABOUT COOPERATIVE EFFORTS VIS-A-VIS PGNU. (INDEED, IF MG KOPF'S REMARKS ARE REPRESENTATIVE, FRENCH MAY BLAME US FOR PART OF BIC'S PROBLEMS.) ACCORDINGLY, WE SEE NO LIKELY BENEFIT FROM JOINT EFFORTS SUGGESTED BY DEPARTMENT IN REF A AND EARLIER IN STATE 228352. WE BELIEVE PREFERABLE COURSE NOW IS TO WAIT AND SEE WHAT BANK EXAMINATION ULTIMATELY YIELDS AND THEN DEAL WITH SITUATION IN THAT CONFIDENTIAL

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LIGHT AND IN ACCORDANCE WITH WASHINGTON INSTRUCTIONS.
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